

## NEW JERSEY CASINO CONTROL COMMISSION

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Tennessee Avenue and Boardwalk  
Atlantic City, NJ 08401

# ***CCC appoints Stein to additional post as conservator for Tropicana***

### **For Immediate Release**

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ATLANTIC CITY - The Casino Control Commission Wednesday appointed former Supreme Court Justice Gary Stein to serve as a conservator for the Tropicana and authorized him to sell the facility pending the outcome of any appeal.

“We are pleased that Justice Stein has agreed to take on the additional role of conservator and we look forward to working closely with him to develop a process for the orderly sale of the Tropicana to new owners,” Commission Chair Linda Kassekert said Wednesday after a special meeting of the commission. She added that Stein, who is also the trustee for the property, will insure that the property continues to operate smoothly during this interim period.

“My number one priority will be to see that this casino continues to operate profitably for the benefit of its employees, its vendors, its creditors, its customers and the State of New Jersey,” Stein said after the commission’s decision. He added that he will select financial and legal advisors to assist him in developing and implementing a process for selling the property.

One week ago, the commission declined to renew the Tropicana’ casino license on the grounds that the company which purchased it early this year – Tropicana Casinos and Resorts - failed to prove its business ability, good character, honesty and integrity,

financial responsibility and that it showed “a contumacious defiance of the regulatory process.”

Tropicana Casinos and Resorts had been operating the casino hotel under interim casino authorization from the commission – a process that allows a buyer to acquire an interest in a casino hotel prior to going through the full qualification process. By finding Tropicana Casinos and Resorts disqualified, the commission activated a trust that had been established as part of the interim casino authorization process and transferred control over the property to Stein as the trustee.

The appointment of a conservator in addition to the trustee was needed because of complexities in the Casino Control Act dealing with the interim casino authorization process and the license renewal process. Kassekert said the decision to allow Stein to fill both roles should make it easier to resolve and conflicts between those processes.

The commission and Stein both made clear Wednesday that when a sale is completed, the casino’s former parent company can not receive any profit from the sale.

“The company can only receive the current market value or the actual cost of the property, whichever is less,” Kassekert said. “If the trustee sells the property for more than the actual cost, any profit will go to the Casino Revenue Fund which benefits New Jersey’s senior citizens and people with disabilities.”

The casino will be allowed to provide funds to its former parent company for a variety of specified purposes that benefit the Atlantic City casino hotel – including payroll, health benefits and others – and the commission will consider requests for funds to cover other expenses, including interest on the bonds and bank loans that were used to finance the acquisition of the casino hotel complex.

“It is in everyone’s interest that this entire process move as smoothly as possible,” Kassekert said. “I anticipate that Justice Stein will move expeditiously to develop a process for the sale, identify potential purchasers and make a recommendation to the commission on the transfer of the property,” she added.

Kassekert noted that once a buyer is selected, if it is not already qualified to hold a license, it will be able to apply for interim casino authorization and take over the property on an expedited basis.